

## BALANCE SHEET

	2019	2018	Change
Cash and marketable securities	\$798,812	\$486,500	\$312,312
Accounts receivable	\$555,000	\$512,000	\$43,000
Inventory	\$835,000	\$755,000	\$80,000
Prepaid expenses	\$123,000	\$98,000	\$25,000
<b>Total current assets</b>	<b>\$2,311,812</b>	<b>\$1,851,500</b>	<b>\$460,312</b>
Gross property, plant and equipment	\$2,100,000	\$1,900,000	\$200,000
Less: accumulated depreciation	\$333,000	\$290,500	\$42,500
Net property, plant, and equipment	\$1,767,000	\$1,609,500	\$157,500
<b>Total assets</b>	<b>\$4,078,812</b>	<b>\$3,461,000</b>	<b>\$617,812</b>
Accounts payable	\$450,000	\$430,000	\$20,000
Accrued expenses	\$98,000	\$77,000	\$21,000
Income tax payable	\$57,562	\$9,000	\$48,562
Short-term debt	\$435,000	\$500,000	-\$65,000
<b>Total current liabilities</b>	<b>\$1,040,562</b>	<b>\$1,016,000</b>	<b>\$24,562</b>
Long-term debt	\$750,000	\$660,000	\$90,000
<b>Total liabilities</b>	<b>\$1,790,562</b>	<b>\$1,676,000</b>	<b>\$114,562</b>
Contributed capital	\$900,000	\$850,000	\$50,000
Retained earnings	\$1,388,250	\$935,000	\$453,250
<b>Total owners' equity</b>	<b>\$2,288,250</b>	<b>\$1,785,000</b>	<b>\$503,250</b>
<b>Total Liabilities and owners' equity</b>	<b>\$4,078,812</b>	<b>\$3,461,000</b>	<b>\$617,812</b>

## INCOME STATEMENT

	2019	2018	2017
Retail sales	\$2,200,000	2,000,000	1,720,000
Corporate sales	1,000,000	1,000,000	1,100,000
<b>Total sales revenue</b>	<b>3,200,000</b>	<b>3,000,000</b>	<b>2,820,000</b>
Less: Cost of goods sold	1,600,000	1,550,000	1,400,000
<b>Gross profit</b>	<b>1,600,000</b>	<b>1,450,000</b>	<b>1,420,000</b>
Less: Operating expenses	800,000	810,000	812,000
Less: Depreciation expenses	42,500	44,500	45,500
<b>Earnings before interest and taxes</b>	<b>757,500</b>	<b>595,500</b>	<b>562,500</b>
Less: Interest expense	110,000	110,000	150,000
<b>Earnings before income taxes</b>	<b>647,500</b>	<b>485,500</b>	<b>412,500</b>
Less: Income taxes	194,250	145,650	123,750
<b>Net income</b>	<b>\$453,250</b>	<b>\$339,850</b>	<b>\$288,750</b>

## CASH FLOW

<b>Net income</b>	<b>\$453,250</b>	
<b>Operating activities</b>		
Accounts receivable	-43,000	
Inventory	-80,000	
Prepaid expenses	-25,000	
Accounts payable	20,000	
Accrued expenses	21,000	
<b>Income tax payable</b>	<b>48,562</b>	
Depreciation expense	42,500	
<b>Total changes in operating</b>		+
<b>Assets and liabilities</b>	<b>-15,938</b>	
<b>Cash flow from operations (Net income minus Assets and liabilities)</b>	<b>437,312</b>	
<b>Investing Activities</b>		
Sale of property, plant and equipment	267,000	
Capital expenditures	-467,000	
<b>Cash flow from investing activities</b>	<b>-200,000</b>	
<b>Financing Activities</b>		
Short-term debt decrease	-65,000	
Long-term borrowing	90,000	
Capital stock	50,000	
Cash dividends to stockholders	-	
<b>Cash flow from financing activities</b>	<b>75,000</b>	+
<b>Source of Cash (Cash flow from Operating + Investing + Financing Activities)</b>	<b>\$312,312</b>	